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The DEMAND and PRICE SITUATION

DPS - 16



Approved by the Outlook and Situation Board, April 18, 1956

SUMMARY

Prices of most farm products have risen from the lows of last December but are generally below those of a year earlier. The index of prices received by farmers in mid-March was 3 percent higher than in mid-December but 5 percent under March 1955. The parity ratio increased from 80 in December to 82 in March. In March 1955 it was 86. Central market prices indicate these gains have been maintained in April. Substantial price improvement has occurred for hogs, as marketings declined seasonally. Operations under the price-support programs have reduced available market supplies of grains and cotton, with prices of these commodities at highs for the season. Substantial increases have also occurred for oil-bearing crops and for potatoes.

1956 crop acreages may be reduced slightly if farmers' intentions to plant as of March 1 are realized. But total farm output may be close to the record output of 1955 unless weather conditions are unfavorable. Production of most livestock and livestock products this year is likely to be larger than in 1955. However, hog marketings later this year will probably be less than in 1955 reflecting cut-backs in the spring pig crop.

(Continued on page 3)

ECONOMIC FACTORS AFFECTING AGRICULTURE

Item	Unit or base period	1955			1956		
		Year	Mar.	Dec.	Jan.	Feb.	Mar.
Industrial production <u>1/</u>							
Total.....	1947-49=100	139	135	144	143	143	142
All manufactures.....	do.	140	136	146	145	144	143
Durable goods.....	do.	155	148	161	160	158	157
Nondurable goods.....	do.	126	124	130	129	129	129
Minerals.....	do.	122	121	129	131	131	131
Total outlay for new construc- tion <u>2/</u>	Million dollars	42,250	3,464	3,489	3,462	3,454	3,467
Residential.....	do.	16,600	1,349	1,326	1,286	1,265	1,260
Total civilian employment <u>3/</u>	Million	63.2	60.5	64.2	62.9	62.6	63.1
Nonagricultural.....	do.	56.5	54.8	58.3	57.3	57.1	57.4
Unemployment.....	do.	2.7	3.2	2.4	2.9	2.9	2.8
Income:							
Nonagricultural payments <u>2/4/</u> #..	Bil. dol.	288.4	280.9	299.9	298.6	298.8	
Production-worker payrolls <u>5/</u> #..	1947-49=100	152.9	146.6	163.9	158.9	158.0	158.4
Weekly earnings of production- workers in manufacturing <u>5/</u> ...	Dollars	76.52	75.11	79.71	78.36	78.17	78.59
Durable.....	do.	83.21	81.56	86.52	84.87	84.05	84.05
Nondurable.....	do.	68.06	66.70	70.30	69.65	69.65	70.31
Prices:							
Wholesale prices, all com- modities <u>5/</u>	1947-49=100	111	110	111	112	112	113
Commodities other than farm and food.....	do.	117	116	120	120	121	121
Farm.....	do.	90	92	83	84	86	87
Food, processed.....	do.	102	102	98	98	99	99
Prices received by farmers <u>6/</u> #..	1910-14=100	237	243	223	226	226	230
Crops.....	do.	238	243	227	231	231	239
Livestock and products.....	do.	237	243	219	221	220	221
Prices paid, interest, taxes and wage rates <u>6/</u>	1910-14=100	281	284	278	281	280	282
Items used in living.....	do.	273	273	273	272	272	274
Items used in production.....	do.	250	256	243	246	245	246
Parity ratio.....		84	86	80	80	81	82
Consumer price index <u>5/</u>	1947-49=100	114	114	115	115	115	
Food.....	do.	111	111	110	109	109	
Government purchases of goods and services <u>2/ 7/</u> #.....	Billion dollars	75.9	75.8	77.2			
Federal (less Government sales)..	do.	45.8	46.4	46.3			
State and local.....	do.	30.1	29.4	31.0			

Annual data for the years 1929, 1932 and 1939-55 appear on page 39 of the April 1956 issue of The Demand and Price Situation.

1/ Federal Reserve Board.

2/ U. S. Department of Commerce.

3/ Bureau of the Census.

4/ Monthly totals seasonally adjusted at annual rates.

5/ U. S. Department of Labor, Bureau of Labor Statistics.

6/ U. S. Department of Agriculture, Agricultural Marketing Service.

7/ Quarterly totals seasonally adjusted at annual rates.

Revised series.

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Recently announced price supports for 1956 crops of wheat, corn, cotton, rice and peanuts are slightly lower than for 1955 crops. Price supports will be available for corn not under acreage control in the commercial corn area. Price supports for soybeans, flaxseed, manufacturing milk and butterfat have been established at somewhat higher levels. The incentive level for 1956 clip wool is the same as in 1955.

With prospects that current high domestic demand and foreign takings of U. S. farm products will persist through 1956, the general level of prices received by farmers should continue much as at present. With price supports about the same as in 1955 and the likelihood that the hog markets will be firmer this fall than last, prices received by farmers later in the year could well average some higher than in the last several months of 1955.

Cash receipts from farm marketings in the first quarter of 1956 totaled 5 percent under the same period of 1955, mainly due to lower prices. While the price gap will likely diminish as the year progresses, cash receipts the remainder of the year may well total somewhat under 1955 reflecting smaller acreage allotments and marketing quotas for tobacco, rice, and cotton, a lower support level for cotton, and the possibility that the record yields for these commodities in 1955 will not recur this year.

Farm production expenses so far this year are slightly reduced from 1955 reflecting lower costs for feed and replacement livestock. Farm wage rates are much the same but there are slightly fewer hired workers this year. Interest and tax charges are larger. Costs of industrial commodities used in farm production continue to rise reflecting the trend toward higher prices in the nonfarm economy.

While farm operators' realized net income this year under present conditions may total somewhat under 1955, most, if not all, of the decline has already occurred. This, of course, does not take into account possible increases that could occur with further changes in farm programs.

High economic activity both here and abroad are sustaining a strong demand for U. S. farm products. Consumer incomes are at new highs and further expansion is in prospect this year. But as in recent years, the costs of processing and marketing foods are higher and much of the gain in consumer spending for food will reflect increased demand for services. The volume of agricultural products moving into export channels is also being maintained at a high level despite a sharp reduction in cotton exports this season. Exports of cotton are likely to increase later in the year as the new program recently announced for selling cotton at competitive world prices gets underway. A substantial part of U. S. agricultural exports is moving out under Government financed programs.

General economic activity leveled off in the late months of 1955 and early 1956 after expanding rapidly during 1955. But current prospects for business investment, construction activity and Government spending suggest renewed strength. Although increases this year probably will not match the spectacular expansion during 1955, gross output of the economy, employment and consumer incomes are expected to reach new highs in 1956. Further price increases are in prospect for a number of industrial products.

Consumer outlays for automobiles and housing probably will not equal the high levels of 1955. More income will likely go into repayment of greatly expanded consumer and mortgage indebtedness. However, rising incomes in 1956 are expected to lead to larger total outlays for goods and services.

Businessmen, according to recent reports, are very optimistic about business prospects for 1956. A recent survey of businessmen's investment plans for 1956, conducted by the Securities and Exchange Commission and the Department of Commerce points to a further expansion in outlays for new plant and equipment. Programmed investment expenditures for 1956 as a whole are up 22 percent from 1955. This expanding market for investment goods will be a major factor bolstering economic activity in coming months.

Business inventories continue to build up but at a less rapid rate than in the final months of 1955. Much of the recent gain has been in durable goods and particularly in automobiles. However, there appears to be no general overstocking except of automobiles. Expansion in economic activity this year probably will lead to some further inventory build up in many industries.

Residential construction now shows signs of picking up after declining for several months. This apparently reflects some easing in credit and mortgage terms on residential housing. Requests for Government assisted

financing have increased sharply in recent months. New home starts, which lead construction outlays, were near an annual rate of 1.2 million units in the first quarter and the substantial gain in contract awards for residential building since last November points to further increases. While housing starts for 1956 as a whole may not match the 1.3 million units started last year, the decline in expenditures for new homes may be small. Homes will be larger, better equipped and more expensive. Large outlays are also in prospect for additions, alterations and repairs to existing housing.

Spending for goods and services by Federal, and State and local Governments is expected to increase in 1956. Expenditures by the Federal Government changed little in 1955 but budget estimates for fiscal 1956 and 1957 schedule larger outlays for national security and other Federal programs. With proposed new programs for school and highway construction, the rise in expenditures by State and local Governments this year may exceed that during 1955.

Commodity Highlights

The anticipated reduction in the 1956 spring pig crop will probably start a period of declining hog production. Hog slaughter will drop below a year earlier sometime this fall and will stay below for some time to come. Hog prices in the late months of this year are expected to average higher than the relatively low prices a year earlier. Cattle slaughter the rest of 1956 will be about the same as last year, but less will be of the top grades and more of intermediate and lower quality. A substantial rise in prices for top grades is in prospect this summer; prices of lower grades will likely decline seasonally.

Production of milk, now at record-breaking rates, will probably total 127 billion pounds for 1956, 3 percent more than last year. Purchases for price support probably will be near those of the past year.

Egg supplies will continue seasonally large for the next few months and will probably be larger this fall than last. Mid-April broiler chick placements, which will determine marketings in early July, were at record levels.

Per capita consumption of fats and oils totaled 45.3 pounds in 1955 and probably will not change much this year. Soybean crushings continue at a record rate, but a strong demand has pushed mid-April prices at Illinois shipping points well above a year ago. Big supplies are again in prospect for 1956.

A near record supply of feed grains is in prospect for the 1956-57 feeding year; acreage in 1956 will likely be smaller but record carryover stocks are in prospect. Supplies per animal unit may be a little less than in the current feeding year.

If yields are average, this year's wheat crop may total around 904 million bushels, only slightly more than the current rate of consumption plus export. Wheat prices have advanced recently, reflecting limited supplies in the market.

Total supplies of fresh and processed fruits are expected to be at least as large this spring as a year earlier. However, freezes this spring again did considerable damage to the Georgia peach crop.

Packers are expected to contract a larger acreage of a number of important vegetables for processing this year. With lighter supplies in prospect, potato prices after mid-spring are likely to be somewhat higher than the low levels of a year earlier.

The supply of cotton for 1955-56 is estimated at 25.9 million bales. Estimated disappearance this year for domestic use and export of 11.2 million bales would leave a record carryover next August of 14.7 million bales.

Prices of wool, both here and abroad, were somewhat lower in early April than a year ago and were only slightly above the seasonal low reached late in 1955. Including Government payments, growers will receive an average of 62 cents per pound for the 1955 and 1956 clips of wool compared with 53.2 cents in 1954.

Assuming average yields, supplies of flue-cured and burley tobacco for 1956-57 will be a little below the very large amounts available this year.

THE ECONOMIC SITUATION AND OUTLOOK FOR 1956

After expanding rapidly through most of 1955, the rate of increase in economic activity slackened in late 1955 and early 1956 as automobile sales dipped from previous high rates and residential building activity declined further. Reflecting this easing in demand, industrial production and employment have been virtually stable in recent months except for seasonal changes. Current prospects for business investment, construction activity and Government spending point to renewed strength. Business investment outlays for new plant and equipment have risen sharply during the past year and are expected to rise further in 1956. Federal and State and local Government expenditures also are expected to rise more than in 1955. Increased spending by Government and business will contribute to higher consumer income and spending. But consumer buying probably will rise at a slower pace and play a less dominant role in economic expansion than during 1955. Consumer outlays for automobiles and housing are not likely to match the high levels of 1955. Recent action by the Federal Reserve System to restrain credit reflects the prospective expansion in economic activity. However, further price increases are likely for many industrial products and raw materials.

Consumer Buying
Continues Record High

Consumer buying in the first quarter of this year was at an annual rate of nearly 14 billion dollars above a year earlier. This rise accounted for more than half of the approximate 24 billion dollar increase in the rate of total spending for goods and services--the gross national product. A small decline in durable goods buying was offset by a steady upward trend in spending for soft goods and for services.

Table 1.--Consumer income, spending and saving, first quarter 1955 to first quarter 1956, seasonally adjusted annual rates

Item	1955				1956
	I	II	III	IV	
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
Personal disposable income	261.0	267.1	271.7	276.0	277.1
Consumer expenditures for					
goods and services	245.8	250.5	255.7	257.2	259.4
Durable goods	34.4	35.1	36.9	34.8	34.1
Automobiles and parts	16.4	16.6	18.0	16.0	
Furniture and household equipment	13.9	14.2	14.7	14.3	
Other	4.1	4.3	4.2	4.5	
Nondurable goods	122.4	125.3	127.0	128.8	130.0
Food and beverages	74.0	75.9	77.5	78.3	
Clothing and shoes	19.8	20.5	20.4	21.2	
Other	28.6	28.9	29.1	29.3	
Services	89.0	90.2	91.8	93.6	95.3
Personal saving	15.3	16.6	16.0	18.8	17.7

Expenditures for consumer durable goods declined sharply in the last half of 1955 to a level in the first quarter of 1956 slightly lower than a year earlier. The decline in recent months reflected a dip in passenger car sales in late 1955 and the early months of this year. A slight easing in demand for some other consumer durables, such as household appliances, and for lumber and building materials has been evident in the past few months. Although sales of automobiles are down from a year ago, they have picked up in recent weeks and preliminary data indicate that March sales were substantially above January and February.

Consumers continue to spend about a fourth of their income after taxes for food. In response to rising incomes, food store sales in the early months of 1956 were 4 percent above a year earlier. Much of the gain in outlays for food in recent years has reflected increased demand for additional services in the processing and marketing of food, and more frequent meals outside the home. The farmers' share of the consumers' food dollar was estimated at 39 cents in January and February of 1956. This compares with 42 cents a year earlier and 48 cents for 1951. Consumer expenditures for apparel (including shoes) increased by 6 percent from late 1954 to late 1955 and clothing sales have continued upward in early 1956.

Underlying Demand
Factors Strong

Expanding employment, a lengthening work week, rising wage rates and resulting higher consumer incomes have been the basic factors underlying the strength in consumer spending over the past year. Consumer income after taxes in the first quarter was up 6 percent from a year earlier. Further increases in wage rates and employment are in prospect for this year.

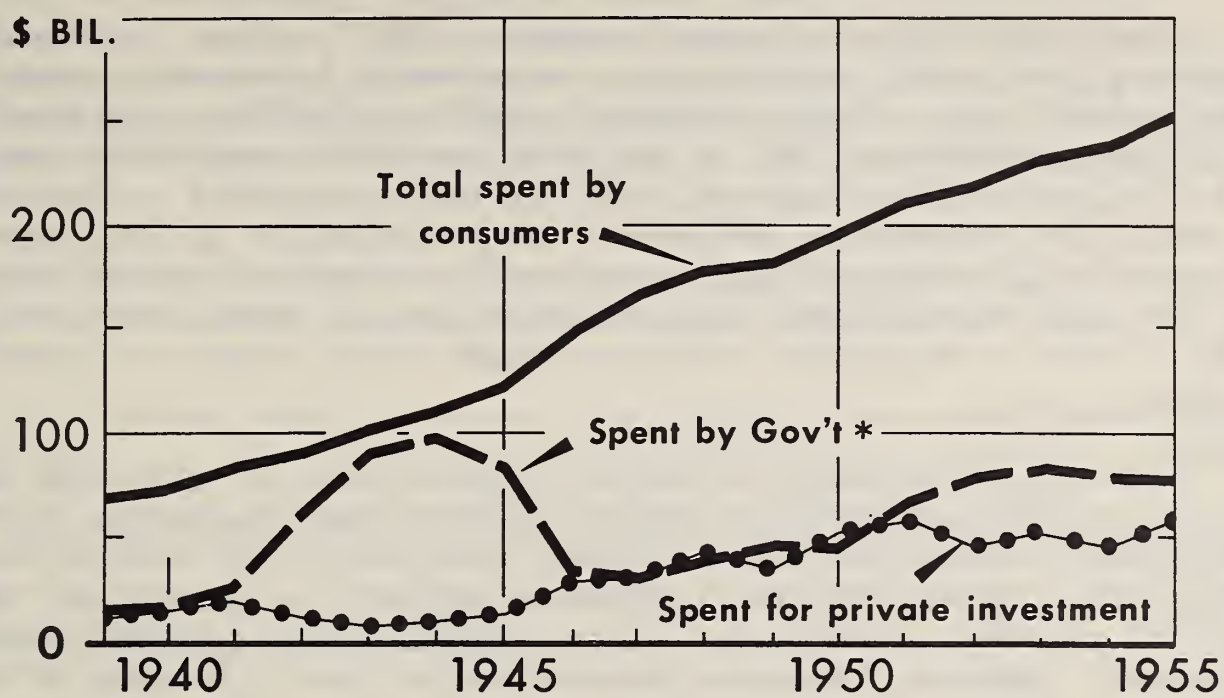
Table 2--Retail store sales, specified groups, first quarters, 1955 and 1956, adjusted for seasonal variation

Group	First quarter 1955	First quarter 1956 ^{1/}	Percentage change
	Million dollars	Million dollars	Percent
Durable-goods stores	5,270	5,505	4
Automotive group	3,001	3,014	<u>2/</u>
Furniture and appliance group	817	864	6
Lumber, building, hardware	1,079	1,100	2
Nondurable-goods stores	9,627	10,097	5
Apparel group	875	926	6
Eating and drinking places	1,087	1,162	7
Food group	3,580	3,714	4
Gasoline service stations	1,009	1,085	8
General merchandise group	1,618	1,680	4
Total retail sales	14,896	15,502	4

^{1/} Preliminary based on January-February sales

^{2/} Less than 0.5 percent increase.

SOURCES OF DEMAND



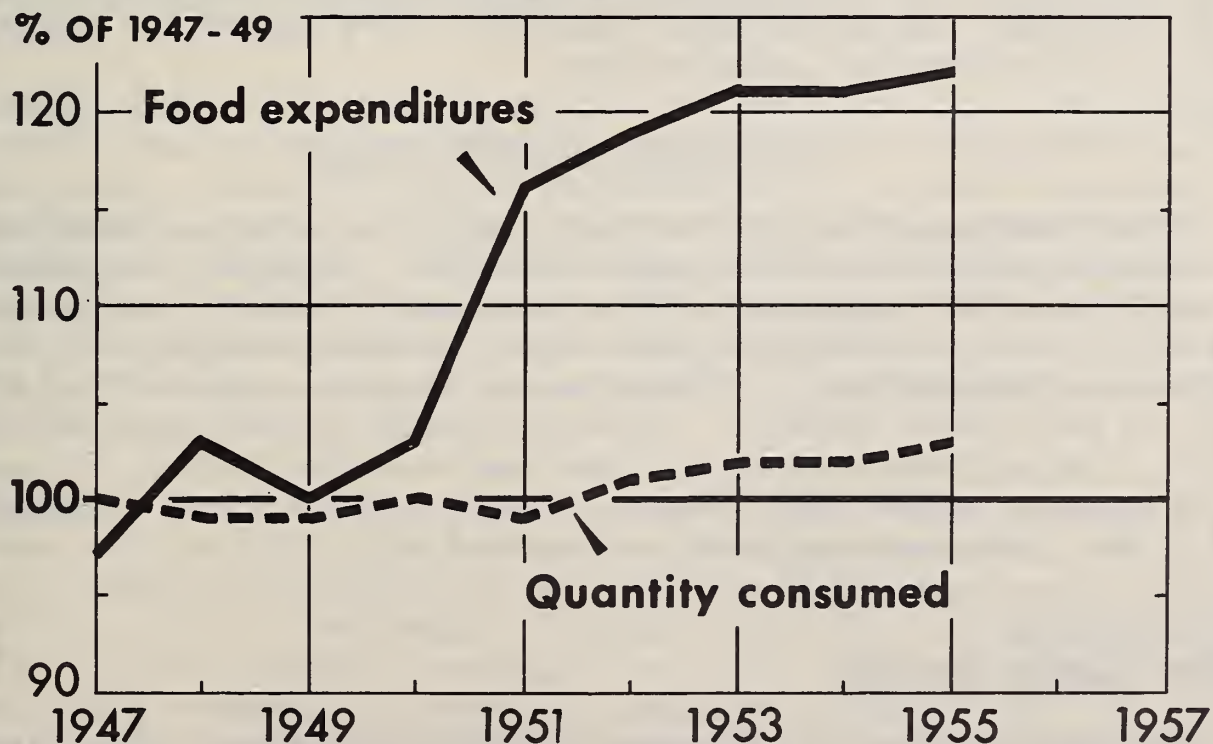
SOURCE: U. S. DEPARTMENT OF COMMERCE
* FEDERAL, STATE, AND LOCAL

1955 ESTIMATED

U. S. DEPARTMENT OF AGRICULTURE

NEG. 1002-55 (10) AGRICULTURAL MARKETING SERVICE

FOOD EXPENDITURES AND CONSUMPTION PER PERSON



U. S. DEPARTMENT OF AGRICULTURE

NEG. 1882-55 (10) AGRICULTURAL MARKETING SERVICE

Credit High;
Repayments Rise

Along with rising consumer incomes, a big increase in consumer credit outstanding (new credit extended less repayments) bolstered consumer demand during the past year. Total consumer credit outstanding rose from 29.5 billion dollars in February 1955 to 35.3 billion in February this year. Of this 5.8 billion dollar increase, 3.8 billion represented a rise in installment credit for automobile purchases. With auto sales in 1956 expected to be substantially below last year, new credit extensions probably will not match the high rate in 1955. The record volume of credit outstanding will lead to a rise in repayments and absorb part of the rise in consumer incomes this year.

A survey of consumer purchasing expectations in early 1956 by the University of Michigan and the Federal Reserve Board indicates that consumers' plans to purchase durable goods in 1956 are very similar to those in early 1955. About the same percentage of families questioned is planning to buy new and used automobiles, other consumer durable goods, and new and used houses. However, it should be pointed out that purchases of automobiles in 1955 far exceeded those suggested by the survey. About the same percentage as last year intend to undertake improvements and major repairs on their homes. These intentions are based on optimistic expectations regarding future incomes. Thirty seven percent of those interviewed expected to be earning more money a year from now, 36 percent expected no change and 8 percent expected to be earning less; the rest were uncertain. This is approximately the same distribution reported a year ago. If actual income changes differ significantly from expectations, purchases may of course be very different than anticipated. But if consumer incomes increase above 1955 as expected, the survey does indicate a firm demand for autos, other durables, and residential construction.

Investment Demand Strong

Investment spending by business reached an all-time high last year and is expected to continue to expand in 1956. Outlays for nonfarm plant and equipment, after lagging in 1954, increased steadily throughout 1955. With the increase in trade and production, inventory buying was also stepped up. The addition to stocks was at an annual rate of 5.3 billion dollars in the fourth quarter. Although housing starts declined throughout 1955, construction outlays for the year exceeded 1954 by 17 percent. Total investment demand will probably rise further in 1956 if planned outlays for new plant and equipment are carried out.

Business Capital
Outlays Rising Sharply

Business is planning to spend 35 billion dollars on new plant and equipment in 1956, according to a survey of business investment plans conducted recently by the Department of Commerce and the Securities and Exchange

Commission. If these plans materialize outlays will exceed the 1955 record by 22 percent, or 6 billion dollars. Investment spending expanded each quarter of 1955 to a seasonally adjusted annual rate of 31 1/2 billion dollars in the final quarter. The programs planned for 1956 indicate an annual rate of investment in plant and equipment of 33 1/4 billion dollars in the first quarter and 35 1/4 billion in the second quarter. These plans also point to some further moderate increases in the last 6 months of 1956.

Table 3.--Investment expenditures, first quarter 1955
to first quarter 1956, seasonally adjusted
annual rates

Item	1955				1956
	I	II	III	IV	I
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
Gross private domestic investment	54.1	60.1	60.5	63.2	62.4
New construction	31.2	32.6	33.2	32.3	31.6
Residential nonfarm	16.1	16.9	17.2	16.2	15.2
Other	15.1	15.7	16.0	16.2	16.3
Producers' durable equipment	21.5	23.2	24.9	25.5	26.8
Change in business inventories	1.5	4.3	2.4	5.3	4.0
Net foreign investment	-.4	-.7	0	-.3	-.3

More than half of the rise in planned outlays for plant and equipment is concentrated in the manufacturing group. Motor vehicle producers and the iron and steel group intend to step up expenditures by 65 and 54 percent. Among the nondurables, particularly heavy investment is indicated for the chemical, petroleum, and paper industries. Railroads lead among nonmanufacturing industries, with a 42 percent increase scheduled to be spent, largely on new rolling stock. Among other industries, most plan to spend from 10 to 20 percent more on plant and equipment; in no major group is the anticipated rise less than 10 percent.

The strength in investment demand reflects the general expectation that the market for industrial products will continue to expand. The Department of Commerce and Securities and Exchange Commission survey reports confidence on the part of every major industry group that sales in 1956 will exceed the 1955 total by amounts ranging from 4 to 9 percent. Rising sales, besides encouraging spending on plant and equipment, help to maintain business earnings and to supply the funds with which a large part of business

expansion is financed. Near-record business earnings (after taxes) and rising depreciation reserves because of rapid amortization write offs did much to facilitate the financing of investment spending in 1955. They will continue to be an important source of funds in 1956.

The enlarged demand for investment goods will be a major factor sustaining economic activity in 1956. Not only will it strengthen the market for capital equipment and facilities, but by increasing income payments it will help support a high level of consumer spending.

Inventories At Record Levels

Additions to business inventories were a major factor in the rise in investment outlays during the past year. Manufacturing and trade stocks on hand at the end of February this year had a book value of 83.5 billion dollars, 6.2 billion more than a year earlier. The build-up in inventories, which was at a seasonally adjusted annual rate of 5.3 billion dollars in the final quarter of 1955, continued in January and February of this year. Much of the inventory increase in late 1955 and early 1956 occurred in dealers' stocks of automobiles, which were, however, reduced slightly in March.

In relation to sales, inventories in general are not considered excessive. Stock-sales ratios, though up slightly in recent months, are near the lowest in recent years. In the first half of 1955, expansion in inventories was more than matched by sharply rising sales, and ratios have increased only fractionally since then. If economic activity expands as expected in coming months, inventories will probably continue to rise in many industries.

Construction Activity High

More than 1.3 million new homes (nonfarm) were built in 1955. This exceeded 1954 by about 100,000 units and was close to the 1950 record. However, housing starts (after seasonal adjustment) declined steadily throughout the year and into the first quarter of 1956. Expenditures on housing, following the drop in number of dwelling units started, turned down in July, but total outlays for the year exceeded 1954 by 23 percent.

In recent months there have been some indications that the easing in residential construction may have run its course. In January the VA and FHA lengthened the amortization period on Government guaranteed or insured mortgages. Following this action, requests for Government assisted financing on proposed new housing turned up sharply. Possibly even more indicative, residential construction awards in 37 Eastern States were up 12 percent in March from a year earlier to the highest monthly total ever recorded.

Housing starts in early 1956, though below last year, are still high relative to past standards. According to the Census Bureau, new families are being formed at a rate of more than 800,000 per year. In addition, each year many replacements are needed for houses dropped from use. The movement of population between different regions of the country and migration from the farm to the city and from downtown areas into the suburbs all require a net addition to the Nation's housing. High employment and incomes tend to result in fewer families doubling up on housing and increase demand for higher quality housing.

Although fewer new homes may be built in 1956 than last year, total outlays probably will show little decline. Construction costs continue high, and record consumer incomes support the trend toward larger and more costly homes. A recent survey by the Bureau of Labor Statistics reveals a distinct rise in the popularity of three-bedroom houses in 1955, chiefly at the expense of the smaller homes. Accompanying this change the average cost of a house increased about a tenth during 1955 and a further rise is probable in 1956. Additions, alterations and repairs are also expected to swell the volume of residential construction activity.

Mortgage Debt Up Sharply In 1955

The near record volume of residential construction in 1955 was made possible in large part by an unprecedented increase in mortgage debt outstanding. Liberal credit terms offered to borrowers in the first half of the year facilitated the rapid expansion in mortgage debt. At year-end, an estimated 88.7 billion dollars was owed on nonfarm 1-4 family houses. This was 13 billion more than a year earlier. More than half of this increase was underwritten by the FHA or VA. At the end of 1955, 14.3 billion dollars of mortgage debt on nonfarm 1-4 family homes was insured by the FHA, while 24.5 billion dollars was under VA guarantee. The total was 44 percent of the total debt outstanding on this class of property.

Nonresidential Building Rising

Private nonresidential construction increased 22 percent in 1955 and some further rise is expected in 1956. Business investment plans call for extensive additions to commercial, industrial, and public utility plant in 1956. Construction of religious, educational, and hospital facilities will probably continue their upward trend.

Government Demand To Rise In 1956

Expenditures by Federal and State and local Governments rose by nearly 2 billion dollars from the first quarter of 1955 to an annual rate of 77.5 billion dollars in January-March of 1956. Federal spending was down slightly as small increases for defense programs were more than offset by declines in

other spending. But outlays by State and local Governments rose by 2.3 billion dollars to an annual rate of almost 32 billion dollars. Proposed new programs for school and road construction, increased employment and rising wage rates may increase State and local expenditures by more than the gain during 1955.

Table 4.- Government expenditures for goods and services
first quarter 1955 to first quarter 1956,
seasonally adjusted an annual rates

Item	1955				1956
	I	II	III	IV	I
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
Government expenditures for					
goods and services	75.8	74.9	75.8	77.2	77.5
Federal	46.4	45.2	45.5	46.3	45.8
National security	41.2	40.4	40.6	41.0	40.9
Other Federal less Govern-					
ment sales	5.2	4.9	4.9	5.2	4.9
State and local	29.4	29.7	30.2	31.0	31.7

Budget estimates for the 1957 fiscal year indicate some small increases in Federal outlays this year, mostly for national security programs. Increases for the Defense Department are due largely to scheduled expenditure increases for maintenance and operation of more air bases and radar sites as well as for increased numbers of more complex weapons and equipment. Other Federal expenditures for goods and services are also scheduled to rise slightly. This latter group includes increases for veterans benefits and school and highway construction. Government spending in general is expected to have a more expansionary effect on the economy this year than during 1955.

Output And Employment
Steady At Record Levels

Industrial production in 1955 exceeded 1954 by more than 10 percent. Advances occurred in nearly every major industry group. At the end of 1955, the Nation's factories and mines were producing at an all time record rate of 144 percent of the 1947-49 average. Most of the increase in the Federal Reserve Board index of industrial production occurred in the first three quarters of the year. Since December, output has declined slightly, on a seasonally adjusted basis, but the index for March was still 5 percent above a year ago. If consumer buying, business investment outlays, and Government expenditures expand as expected, output probably will continue high, and may expand later in the year.

Table 5.- Indexes of industrial production, by groups, first and third quarters 1955 and first quarter 1956 adjusted for seasonal variation

Group	1955		1956
	Jan.-Mar.	July-Sept.	Jan.-Mar.
Industrial production, total	133	140	143
Durable goods	147	158	158
Primary metals	131	140	147
Nondurable goods	122	126	129
Consumer durable goods	140	152	138
Auto	189	191	159
Major household goods	134	155	143

Auto Output Down
From Year Ago

Among durable goods industries the most noteworthy expansion in 1955 was in automobiles. The 7,900,000 cars assembled and about 7,500,000 sold far exceeded all previous records. Auto sales tapered off in late 1955 and early 1956 and dealers' inventories accumulated rapidly. To meet this situation, output was cut back from 695,000 units in December to 611,000 in January and 555,000 in February. At the end of February, unsold cars in dealers hands were estimated to total around 900,000 units. In March, seasonally rising sales stimulated a recovery in production to 576,000 units and brought some reduction in accumulated stocks. However, output of passenger cars remained 27 percent below last March and is expected to continue in coming months well below the high year-ago rates.

Production of most other durables, after rising during the first 9 months of 1955, stabilized in the last quarter and held steady in the opening months of 1956. Large increases occurred during 1955 in output of industrial and commercial machinery, particularly machine tools, as business investment expanded. Production of farm machinery was also stepped up somewhat in 1955 but declined early this year. Output of all primary metals gained during 1955.

Although manufacture of most durables stabilized at near capacity output in recent months, new orders continued to run ahead of deliveries, so that the backlog of unfilled orders has grown further. In February, unfilled orders on hand in the durable goods industries were equivalent to more than four months production. With inventories in general not excessive relative to sales, the prospective expansion in business outlays for new equipment will help to maintain a high level of production of durable goods.

Nondurable manufactures reflected the same pattern of expanding activity throughout most of 1955, stabilizing at a high level in the closing months of 1955 and the first quarter of 1956. Chemicals and petroleum led the expansion in this group. Inventories of nondurables built up gradually during 1955 in response to expanding production and trade. In February, manufacturers' stocks of nondurables were 3 percent above a year ago, but because of the rising trend of sales, the ratio of nondurable inventories to sales was fractionally lower and below almost any other time in recent years.

Employment Increases;
Unemployment Low

In the first quarter of 1956, total employment averaged more than $2\frac{1}{2}$ million above January-March of last year and was at a record March level of 63.1 million workers. The increase during 1955 reflected the rapid expansion in economic activity. Three million workers--more than in any other recent year--were added to the labor force during 1955 and the number unemployed dropped about half a million. The moderate expansion in economic activity in prospect probably would absorb a normal rise in the labor force without significant increases in the current relatively low level of unemployment.

Civilian employment increased sharply in the first half of 1955 as output was stepped up in nearly all lines. Unemployment, as reported by the Census Bureau, was reduced to just over 2 million workers. In the latter part of the year, with continued economic expansion and fewer persons seeking work, overtime became more common, particularly in durable manufacturing industries. Late in 1955 and in the opening months of 1956, demands on the economy began to level off, allowing some easing in the labor market. Since the last quarter of 1955, employment has dropped off slightly in line with the usual seasonal pattern, and unemployment has shown a small increase. The average workweek has been cut back and in March averaged 40.6 hours for workers in manufacturing industries, down from the closing quarter of last year and about the same as a year earlier.

Nonagricultural Employment Up;
Fewer Workers On Farms

Among nonagricultural establishments, the greatest increase in the number of wage and salary workers was concentrated in manufacturing, where more than a million workers were added during 1955. Most of this increase was in durable goods, but nondurables also showed a substantial gain. Smaller gains occurred in the number of wage and salary workers employed in trade and by State and local Governments.

In contrast with the upturn in employment in nonagricultural industries, the Agricultural Marketing Service index of farm employment was off six percent in the first quarter of 1956 from a year earlier.

This downward trend will probably continue in 1956. The decline since last year has been concentrated entirely in the family worker category; the number of hired workers remained unchanged.

Commodity Price
Trends Mixed

Wholesale and retail price levels have been stable on the average since 1953, despite fluctuations in economic activity. The index of wholesale prices averaged 110.7 (1947-49=100) for 1955, up fractionally from 1953 and 1954. Prices of farm products and processed foods continued to decline throughout 1955 with the sharpest drop in the latter part of the year. Prices of commodities other than farm and food moved up 4 percent during the year. The rise was concentrated in the latter half of the year and continued into the first quarter of 1956. Prices of industrial raw materials, metals and metal products, machinery and motive products, and building materials have led the advance.

Table 6.--Index of wholesale prices, selected groups,
first quarter 1955 to first quarter 1956

(1947-49=100)					
Group	1955				1956
	I	II	III	IV	I
Wholesale prices					
All commodities	110.2	110.2	111.0	111.4	112.4
Farm products	92.6	92.4	89.0	84.6	85.6
Food, processed	102.9	102.8	102.2	99.1	98.8
All other than farm and food	115.5	115.6	117.5	119.4	120.7

Consumer prices showed the same stable pattern on the average as wholesale prices during 1955. The index for the year averaged 114.5 (1947-49=100), virtually the same as in 1954. Food prices trended downward in the later months of the year while apparel prices drifted gradually upward. Prices for services such as medical care, transportation, and personal care, and the cost of housing continued upward.

With further expansion in economic activity this year, prices probably will continue high during 1956. Increases in demand probably will be matched by greater output of consumer goods without exerting much upward pressure on prices. However, some further price increases are in prospect for many industrial products. The realization of plans for capital expansion will put continued pressure on supplies of industrial products and raw materials this year.

Table 7.--Indexes of prices received and paid by farmers by quarters, first quarter 1955 through first quarter of 1956

(1910-14=100)											
Item	:	1955				:	1956				
	:	I	:	II	:	III		:	IV	:	I
	:		:		:			:		:	
All farm products	:	243	:	245	:	235	:	226	:	227	
Crops	:	245	:	250	:	232	:	225	:	234	
Livestock and products	:	243	:	239	:	238	:	227	:	221	
Prices paid, interest, taxes	:		:		:		:		:		
and wage rates	:	283	:	283	:	280	:	279	:	281	
Family living items	:	272	:	274	:	273	:	273	:	273	
Production items	:	255	:	252	:	247	:	244	:	246	
Parity ratio	:	86	:	87	:	84	:	81	:	81	

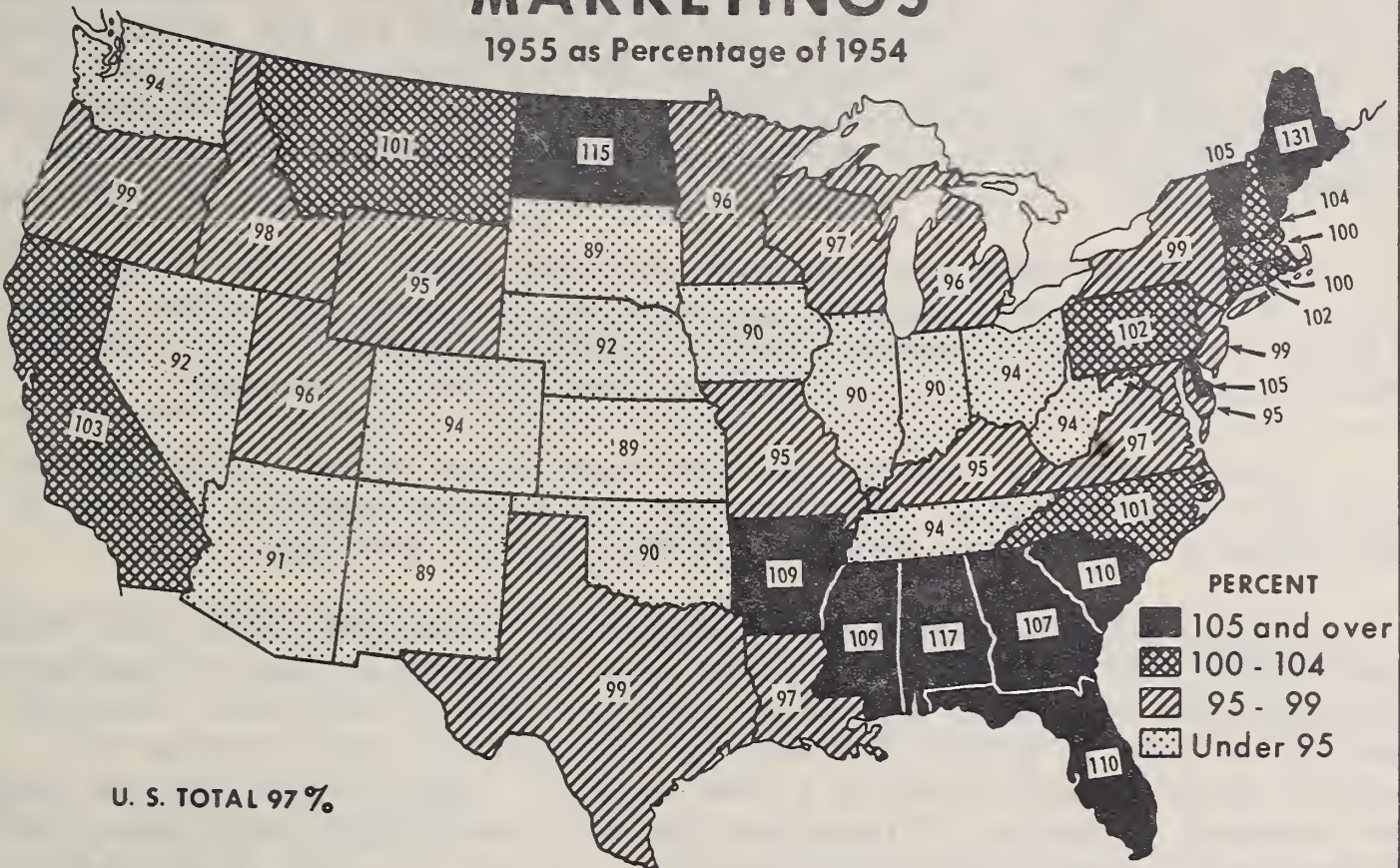
Farm Prices Up
In Early 1956

Prices of most farm products have been moving upward from the reduced levels of last December. The index of prices received by farmers for all farm products rose by 3 percent from mid-December to 230 (1910-14=100) in mid-March. The crops index rose 5 percent while livestock and product prices were up less than 1 percent. Nearly all the crops showed increases in the first quarter but greatest gains were registered for food and feed grains, commercial vegetables, potatoes and the oilseeds. Operations of the loan program have limited market supplies of grains and firmed up prices. Frost damage to tomatoes was responsible for a sharp increase in the commercial vegetables index in March; strong export demand has bolstered oilseeds prices. In the livestock group, a 10 percent rise over the quarter for meat animals, due mostly to hogs, was sufficient to offset seasonal declines for dairy products and poultry and eggs.

Compared with a year ago, grower prices in mid-March averaged 5 percent lower; crop prices were about 2 percent lower on the average. Big supplies were primarily responsible for substantial price declines for grains and oil-bearing crops. But these declines were partly offset by increases for commercial vegetables, fruit and tobacco. The 9 percent price decline for livestock and products was due largely to record supplies which led to price reductions of 15 percent for meat animals and 6 percent for poultry products.

CASH RECEIPTS FROM FARM MARKETINGS

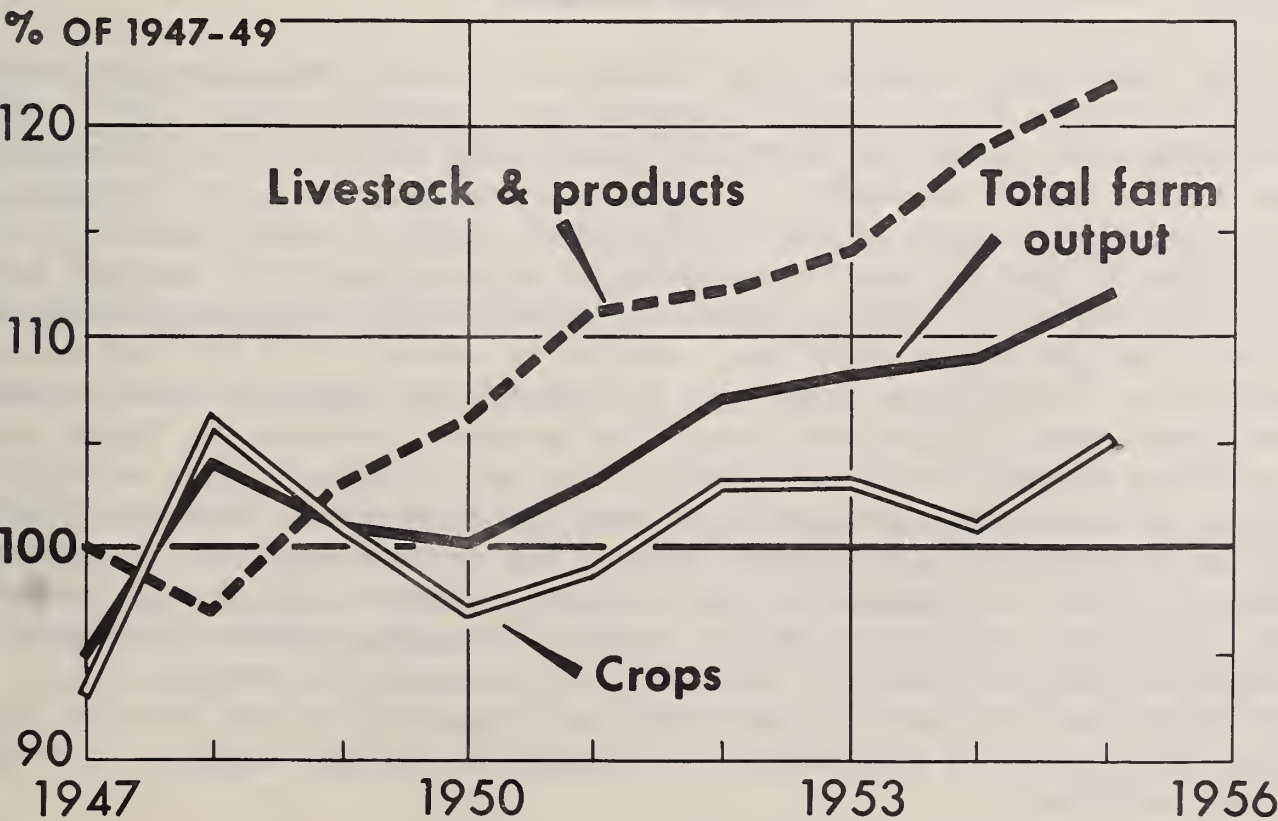
1955 as Percentage of 1954



U. S. DEPARTMENT OF AGRICULTURE

NEG. 3093-56 (2) AGRICULTURAL MARKETING SERVICE

FARM OUTPUT



U. S. DEPARTMENT OF AGRICULTURE

NEG. 1850 - 56 (3) AGRICULTURAL MARKETING SERVICE

Central market prices for most major farm commodities advanced from mid-March to mid-April. During the week ended April 13, barrows and gilts at Chicago sold for about a fifth more than a month earlier. Maine potatoes were up eight percent during the month. Feed grains showed mixed movements, as corn prices increased markedly during the month; rye and oats declined. Prices of Midwestern eggs weakened, and North Georgia broilers sold for 8 or 9 percent less in mid-April than a month ago. Speculative price movements may have accounted for some of the fluctuations in central market prices.

Supplies of farm products will continue large in 1956. Output of livestock and livestock products is expected to exceed the record outturn of 1955. Crop output, however, may be smaller if growers carry out their March 1 planting intentions and growing conditions are average.

Rising consumer incomes and continued large exports will bolster the demand for farm products. Nevertheless, with large supplies, prices of farm products will likely average somewhat below a year ago.

Prices paid by farmers for commodities, interest, taxes, and wage rates remain stable. Prices of items used in family living in mid-March were unchanged both from the end of 1955 and from a year ago. Costs of commodities used in production were up fractionally from December but averaged about 4 percent below a year earlier. Most of the decline over the year occurred in prices of feeds and feeder livestock which in some instances are purchased by one farmer from another. Prices of other production items generally drifted upward. With prospects for further price gains for many industrial products, it is likely that average prices paid by farmers will continue high in 1956.

FOREIGN DEMAND

The continued expansion of economic activity both here and abroad resulted in larger United States exports and imports during 1955. United States exports of goods and services (excluding military aid shipments) totaled 19.7 billion dollars, 1.9 billion more than in 1954. Nonagricultural exports rose 13 percent, while agricultural exports rose 5 percent. The smaller gain in the value of farm exports is accounted for in part by declining unit values of farm products. United States imports, the major source of foreign dollar earnings, reached a record 17.7 billion dollars, an increase of 1.8 billion over the previous year. Agricultural imports, however, were near a five-year low. The greater increase in total exports than in total imports reduced somewhat the net foreign dollar receipts from the trade in goods and services with the United States. Foreign receipts from U. S. Government grants and loans, and private capital movements, remained virtually unchanged at 3.1 billion dollars. It should be noted, however, that net outflow of United States Government funds increased by more than 600 million dollars from 1954 as a result of economic aid disbursements and the sale of agricultural commodities for foreign currencies. There was an offsetting net reduction in the outflow of private short term capital.

As shown in table 8, total foreign dollar receipts exceeded dollar payments by 1.5 billion dollars in 1955. This surplus was approximately 250 million dollars less than in 1954 due to the larger United States trade surplus and certain unrecorded transactions. While U. S. trade with all areas increased, the net receipt of dollars from the U. S. rose in the case of Continental Western Europe and the independent Asian countries, while those of other areas declined. Part of the receipts from the United States were used to settle trade and other transactions among the foreign areas, for instance to pay for dollar commodities (sugar, copper) of non-U. S. origin.

Table 8.- Foreign transactions with the
United States, 1954 and 1955 1/

Item	1954	1955	Change
	<u>Mil. dol.</u>	<u>Mil. dol.</u>	<u>Mil. dol.</u>
Expenditures on U. S. goods and services	17,764	19,702	1,938
Receipts from U. S. sources			
U. S. imports of goods and services	15,872	17,656	1,784
U. S. Government economic aid (grants and loans)	1,485	2,120	635
U. S. private capital outflow	1,621	948	-673
Other	543	481	-62
Total	19,521	21,205	1,684
Surplus on above transactions	1,757	1,503	-254

1/ Excluding military transfers under grant aid.

2/ Includes unrecorded transactions (which accounted for a decline of 85 million dollars in foreign dollar receipts in 1955) as well as pensions and other government transfers and private remittances.

U. S. Department of Commerce, Office of Business Economics.

Table 9 shows the effect of such inter-area transfers on foreign dollar receipts. The main result was to reduce below last year the high rate of European dollar accumulation, and to bolster the dollar position of Latin America and the Sterling area.

Table 9.- Changes in foreign net dollar receipts 1954 to 1955

Item	Foreign trans- actions with the U. S.			Inter- area trans- fers <u>1/</u>	Total net foreign receipts
	Expendi- tures	Receipts	Balance		
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Foreign countries:					
Canada	559	190	-369	64	-305
Continental Western Europe <u>2/</u>	640	814	174	-562	-388
Sterling area <u>2/</u>	463	342	-121	172	51
Latin American Republics	140	-65	-205	184	-21
All other <u>3/</u>	156	623	467	32	499
Total foreign countries	1,958	1,904	-54	-110	-164
International institutions	-16	-123	-107	34	-73
Total	1,942	1,705	-161	-76	-237

1/ Including errors and omissions.2/ Including dependencies.3/ Independent countries of Asia and Africa (excludes Eastern Europe).

Derived from statistics of the U. S. Balance of Payments.

Foreign Gold and Dollar Holdings

Of the 1.5 billion dollar net foreign surplus in 1955, 1.2 billion was used to increase foreign holdings of gold, dollars and U. S. Government securities, and 300 million was used for direct and portfolio investments in U. S. corporations. In addition to receipts from U. S. sources, the equivalent of about 600 million dollars was added to foreign reserves from new gold production.

The net increase in foreign free world gold reserves and dollar holdings of 1.8 billion dollars, brought the total to 31.1 billion by the end of 1955. The increase compared with 2.2 billion in 1954 and 2.6 billion in 1953. The reduced rate of increase was due to a decline in net receipts from the U. S. During these three years, the character of the foreign holdings has changed; gold purchases from the U. S. have declined while an accumulation of dollars and U. S. Government securities has accompanied the expansion of U. S. trade and financial dealings with the rest of the world.

Table 10.--Estimated gold and dollar holdings of foreign countries and international institutions

Area	Holdings December 31, 1955 p.				Change from December 31, 1954			
	Gold and short-term dollars <u>1/</u>	U. S. Government bonds and notes <u>2/</u>	Total		Gold and short-term dollars	U. S. Government bonds and notes <u>2/</u>	Total	Other investments in the U. S. <u>3/</u>
	Mil. dol.	Mil. dol.	Mil. dol.		Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Canada	2,172	437	2,609	-444	344	-100	-38	
Continental Western Europe	13,204	339	13,543	1,582	79	1,661	187	
Sterling area	3,699	300	3,999	-541	74	-467	94	
Latin American Republics	3,789	195	3,984	116	49	165	21	
Asia	2,613	29	2,642	390	14	404	(9	
All other <u>4/</u>	323	1	324	34	1	35		
Total foreign countries <u>4/</u>	25,800	1,301	27,101	1,137	561	1,698	273	
International institutions	3,689	321	4,010	179	-32	147	13	
Total above	29,489	1,622	31,111	1,316	529	1,845	286	

1/ Gold reserves of central banks, Governments, and international institutions and official and private deposits as reported by U. S. banks.

2/ Estimated official and private holdings with original maturities of over 1 year.

3/ Direct and long term portfolio investments in other than U. S. Government securities.

4/ Excluding Soviet bloc.

p = preliminary.

Board of Governors Federal Reserve System; Office of Business Economics, U. S. Department of Commerce.

The net increase in foreign holdings of 1.8 billion dollars reflected additions of 1.7 billion by Continental European countries (mainly France, Germany, and Italy), 165 million by Latin American countries (large increases in Mexico and Venezuela offset by declines in Colombia, Uruguay and Argentina) and about 404 million in non-sterling countries of Asia (mainly Japan and Indonesia). On the other hand the sterling area's holdings declined by 467 million dollars and those of Canada by 100 million.

U. S. Foreign Trade in Farm Products in 1955

U. S. agricultural exports in 1955 totaled 3,195 million dollars, 14 million more than in 1954 in spite of a 40 percent drop in cotton exports. The value of all other exports rose 20 percent, with significant increases in grains, tobacco, fats and oils, and relief shipments of dairy products. Over 37 percent of the agricultural exports during 1955 moved under Government grants, loans, and barter programs or were sold for foreign currencies.

Imports of agricultural commodities, totaling 3,978 million dollars in 1955 rose slightly from 1954. Competitive imports fell as relatively lower U. S. prices discouraged shipments of foreign pork, oats, feeds and vegetable oils to the United States. On the other hand, cattle imports rose with the opening of the Mexican border, while apparel wool and cotton purchases rose in response to lower foreign prices. Among other imports, value declines were registered in coffee and cacao beans (due to lower prices) and increases in rubber (due largely to higher prices) and carpet wool.

The increase in the level of farm exports during 1955 reflected the generally high foreign demand arising from record industrial activity and consumption, high levels of trade, and adequate means of financing imports. The latter was aided by the continued net dollar receipts from the United States, the opportunity to buy U. S. Government-held commodities at reduced prices and for local currencies, and fairly sizable donations of U. S. surpluses. Thus U. S. farm exports increased an estimated 10 percent in volume at the same time that per capita agricultural production in foreign countries outside the Soviet-bloc continued to rise.

The Export Outlook

Export gains in most commodities have thus far offset lagging cotton exports. Foreign purchases of cotton, both for dollars and foreign currencies, are not expected to pick up until August 1 when CCC cotton stocks sold on a bid basis become available for export. As a result, exports during the entire 1955-56 fiscal year may total less than during the previous year. In the second half of 1956, however, substantial cotton exports and continued high exports of grains, tobacco and fats and oils are in prospect. As a result exports during the calendar year 1956 as a whole may even exceed the 3.2

billion dollar level achieved last year. With the large quantity of cotton to be sold for foreign currencies during 1956, the proportion of government financing in this higher level of exports may be expected to increase.

Table 11.- Trade in agricultural products, United States, 1954 and 1955

Item	1954	1955	Change
	<u>Mil. dol.</u>	<u>Mil. dol.</u>	<u>Mil. dol.</u>
Exports:			
Wheat and flour	427	480	53
Other grains and preparations	323	460	137
Cotton	788	477	-311
Tobacco	304	355	51
Fats, oils and oilseeds	485	496	11
Exports for relief and charity ^{1/}	72	172	100
Other	655	755	100
Total exports	3,054	3,195	141
Imports:			
Coffee	1,486	1,357	-129
Cocoa and cacao beans	252	185	-67
Sugar	410	414	4
Meat products	180	163	-17
Grains and feeds	132	84	-48
Crude rubber	262	441	179
Wool	223	261	38
Other	1,028	1,073	46
Total imports	3,973	3,978	6

^{1/} Mainly dairy products, not separately classified in trade statistics.

The existence of a firm foreign demand for U. S. farm products stems from the general prosperity of foreign economies and the severe winter damage to crops in a number of countries. However, in certain foreign countries industrial production is rising at a slower rate, prices are creeping upward and the import gap is widening. A possible but indefinite negative influence on U. S. exports could be the anti-inflationary steps being taken by the governments of these countries as well as the continued expansion of foreign agricultural production and surplus disposal measures by competing foreign producers. On the other hand, favorable demand factors are the continuing rise in foreign dollar receipts through U. S. imports and the U. S. Government grant and loan programs which are accompanying the sales of surplus commodities for foreign currencies. Furthermore, the uneven pattern of gold and dollar accumulation noted earlier is not expected to reverse the progress toward the liberalized trade and payment relationships which have emerged during the past two years.

FARM INCOME

Total cash receipts in the first quarter of 1956 are estimated at 5.9 billion dollars, down 5 percent from last year. The total volume of products marketed was a little larger than a year ago, with marketings of meat animals, dairy products, and poultry and eggs all above 1955. Crop marketings also ran slightly above last year. Prices as a whole averaged 7 percent lower than a year ago. Receipts from livestock and products in the first 3 months of this year were about 3.6 billion dollars, 5 percent below the corresponding period of 1955. Crop receipts were 2.3 billion dollars, down 4 percent from a year ago.

Farmers received about 1.8 billion dollars from marketings in March, about the same as in February but 5 percent below March of 1955. Prices were up slightly from February and averaged 5 percent less than a year earlier. Receipts from livestock and products were about 1.2 billion dollars and crop receipts were 0.6 billion dollars.

LIVESTOCK AND MEAT

Livestock production will continue high during 1956 but will ease off from its exceptional volume of the past winter. Cattle marketings will stay large and the year's total will be a new high. A probable reduction in the 1956 spring pig crop will likely be followed by reduced farrowings this fall. As a consequence, hog slaughter will drop below a year earlier in late summer or fall and will stay below for some time to come. Demand for meat remains about unchanged.

So far this year meat animal marketings have totaled considerably above the corresponding months of 1955. Beef production in January-March was a new high for the quarter, 12 percent above a year ago, and pork output was up the same. Veal and lamb and mutton production has been close to that of a year earlier. Under pressure of heavy supplies, meat animal prices have averaged considerably below early 1955.

Cattle slaughter the rest of the year is expected to average as high as last year, but it will be made up of fewer fed cattle of the top grades and more off grass or with limited feeding. The number of cattle and calves on feed April 1 in leading States was 8 percent below last April, and a smaller proportion had been on feed over 3 months. This year, fed cattle will not be carried to as heavy weight and high finish as in 1955. Supplies of cattle of the intermediate and lower grades promise to be up considerably from a year ago.

Hog marketings for the year will probably total a little larger than in 1955. Slaughter will continue above a year ago until sometime after mid-year, but by a smaller margin than in recent months. Much of the 12 percent larger fall pig crop has already moved to market. But slaughter of sows this summer will equal or exceed last summer. Prospects for smaller

marketings later in the year than last year are based on the progressive reduction in farrowings. The March 1 farrowing report for 9 Corn Belt States showed a 1 percent drop in December-February farrowings but planned reductions of 9 percent in March-May and 8 percent in June-August for these States. The reduction in the total United States spring crop will likely be greater than the 2 percent planned last December.

Cattle and calf prices in April were generally below those of last April, with prices of the better grades down most. Market supplies in prospect point to a substantial rise in prices of the top grades of slaughter cattle sometime this summer or fall. Prices of the lower grades will likely decline seasonally. Prices of stockers and feeders will likely be below last year in most months of 1956.

Hog prices rose steadily during March but in mid-April were still \$2.00 to \$3.00 per 100 pounds below a year earlier. Further gains are expected as marketings are seasonally reduced, with prices likely reaching a peak about mid-summer. The seasonal price decline during the fall is expected to be considerably less than the severe drop last fall. Hog prices in the late months of this year are expected to average above the relatively low prices a year earlier.

So far this year prices received by farmers for calves, sheep and lambs have not been as far below year-earlier prices as have prices of cattle and hogs. Large marketings of calves this summer and fall are expected to put downward pressure on calf prices. Prices of sheep and lambs will be largely determined by seasonal changes in marketings and by abundant supplies of other meat animals, but are expected to average very close to 1955 prices.

DAIRY PRODUCTS

Production of milk in the United States continues at record-breaking levels. Total output in March was 11.0 billion pounds, making the first quarter output 30.2 billion pounds, compared with 28.5 billion a year earlier. The number of milk cows is about equal to that of a year earlier but the rate of production per cow continues substantially above previous records. Feed costs continue considerably below average in relationship to milk prices and roughage supplies have been ample. Production of milk is now increasing seasonally, and will reach the annual peak in late May and early June. It probably will total around 127 billion pounds for 1956 compared with 123.5 billion in 1955.

Consumption of fluid milk continues to show significant increases over other recent years. This is being stimulated by increased distribution in the Special School Milk Program and to military personnel. Per capita consumption among the nonfarm population in 1955 was 339 pounds compared with 331 pounds in 1954 and the 1947-49 average of 327 pounds. Per capita consumption of manufactured dairy products in total from commercial sources continues a little above 1953 when prices were slightly higher.

In recent weeks purchases of dairy products under the price-support program have been considerably larger than a year earlier. In March, purchases of butter were 20 million pounds compared with 17 million a year earlier; cheese purchases totaled 16 million pounds this year compared with 10 million in 1955. Purchases of nonfat also are considerably larger. For the marketing year ended March 31, purchases totaled 178 million pounds for butter, 157 million for cheese and 624 million for nonfat dry milk. Comparable figures for a year earlier were 211 million, 153 million and 523 million. In terms of milk equivalent, (fat solids basis) purchases in the marketing year just ended were about 5 billion pounds compared with 5.7 a year earlier and around 11 billion in the year ended March 31, 1954. In the marketing year which began April 1 purchases probably will be near those of the past marketing year. Stocks owned by CCC have been depleted in the case of butter and are relatively low for nonfat. Cheese stocks are still a problem, though monthly disposition has continued to exceed purchases.

In the first quarter of 1956, prices to farmers for milk averaged a little above a year earlier, while butterfat prices were about equal to those of early 1955. The purchase prices for butter and dry milk originally announced for this marketing year were the same as a year earlier; the cheese price was raised $\frac{3}{4}$ cent per pound over last year to offset lower prices in whey outlets. On April 16, the President announced the new support level for manufacturing milk at \$3.25 per 100 pounds and for butterfat at 58.6 cents per pound, compared with previous levels of \$3.15 and 56.2 cents.

EGGS AND POULTRY

The production potential for poultry products later this year is building up. Hatchings to date of replacement chicks, broilers, and of turkey poults are all ahead of last year. For eggs and turkeys, this indicates larger supplies than a year ago after mid-summer. Broiler supplies will be larger than last year through July.

Egg prices are slightly above a year ago for most grades and in most areas. Broiler prices were substantially lower than last year. In the week ending April 7, DelMarVa broilers were 20.9 cents per pound, compared with 32.0 cents per pound in the corresponding week of 1955. Supplies in April are more than one-third above a year earlier.

Egg supplies will continue seasonally large for the next month or two. Production will probably exceed current use to a greater extent than before Easter, and larger amounts will probably go to storage. Nevertheless, storage accumulation is likely to be at a lower rate than in 1955. The seasonal egg price rise this year probably will be less than in 1955, when the average price received by farmers rose from the season's low of 35.9 cents per dozen in mid-April to 47.1 cents in mid-December.

The 11 percent larger replacement hatch in January-March than a year earlier and the 5 percent increase over last year in the number of young chickens on farms April 1, are the principal bases for expecting larger egg production this fall than last. In 1955, 39 percent of the replacement hatch occurred in the first quarter. On April 1, the number of replacement-type eggs in incubators was the same as a year earlier.

Turkey poult hatchings in the first 3 months of 1956 were 5 million more than in the same period last year. A large increase in heavy-breed turkeys more than offset a decrease among the light breeds. The increase to April 1 in hatchings of heavy and light breed turkeys combined was 33 percent. This gain is equivalent to 7 percent of the $65\frac{1}{2}$ million turkeys raised in 1955. In the principal hatching months ahead, the percentage increases in poult hatchings over a year ago are expected to be smaller.

Slaughter of heavy turkeys is seasonally low and supplies are coming mostly from the lowest storage stocks in 7 years. Prices for heavy toms in New York wholesale markets were almost 10 cents a pound higher than last year. Hen turkeys were only a cent or 2 above a year ago.

Mid-April broiler chick placements, which will determine marketings in early July, were at the highest level on record, and 20 percent above a year earlier. Continued large settings of eggs in incubators indicate continued large output for at least 3 weeks beyond the date covered by hatchings.

OILSEEDS, FATS AND OILS

Soybean prices at Illinois country points moved up over 30 cents per bushel from mid-March to mid-April. Soybean meal prices strengthened considerably. Also, in the spring, soybean prices often rise relative to the total value of the products obtained from a bushel of beans. Crushings continue at a record rate. The total for October 1955-March 1956 was nearly 150 million bushels, 24 million more than last year.

Exports of soybeans through January were up 8.3 million bushels from a year earlier but have fallen below last year's level since. The total of about 45.5 million bushels through March (March is partly estimated), was a little over 6 million more than last year. Until late in March, prices were below a year ago but in mid-April 1956 were about 30 cents per bushel (Illinois country points) higher than in 1955.

Edible oil prices remained strong during the past month as demand continued heavy. Lard prices increased moderately from March to April as production tapered off seasonally. However, lard is still selling at a substantial discount compared with the edible oils. This is encouraging greater use in shortening--159 million pounds in the first 5 months of the present marketing year compared with 103 million a year ago.

Record output has been the dominant feature of the tallow and grease market. Stocks have increased considerably since the beginning of the 1955-56 marketing year and on March 1 (the latest date for which data are available) were much larger than the comparatively moderate quantities on hand during the past 2 years. Prices declined sharply from October through January but have been stable since then. Prices in mid-April were about the same as a year ago.

In calendar year 1955 civilians consumed about 45 pounds of fats and oils (fat content) per person, the same as a year earlier. Butter rose slightly while consumption of margarine declined nearly half a pound. Combined consumption of lard and shortening dropped almost half a pound but was more than offset by a sharp rise, over half a pound, in cooking and salad oils, mayonnaise and French dressing. This category has been trending upward over the past few years. Output of potato chips, which takes large quantities of oil, has been rising steadily. Also to some extent there may have been a shift from lard and shortening to cooking oils. Total consumption of edible oils in 1956 is not likely to change much from last year. Although the upward trend in the other edible oils category is likely to continue, there may be some possible offsetting drop in the combined use of lard and shortening.

The President stated in his veto message of the farm bill that the 1956 peanut crop would be supported at a level of at least 82.5 percent of parity. The 1955 crop is being supported at 90 percent of parity.

FEED

Farmers are planning a moderate reduction in their 1956 feed grain acreage. But with a normal growing season and the record carryover in prospect, total feed supplies would remain at a high level in 1956-57.

Prospective acreage reductions of 3.5 percent in corn, 4 percent in oats and 8 percent in barley were indicated by farmers' March 1 planting intentions. While no forecast is made of production at this time, if 1950-54 average yields by States should be realized on the 1956 prospective acreages, feed grain production would total about 121 million tons. This would be 9 million tons less than the big 1955 crop, but slightly above the average of recent years. A carryover of around 44 million tons of feed grains is in prospect. With the other grains and byproduct feeds available for feeding, the total supply of feed concentrates would be within 2 or 3 percent of the record of 196 million tons in 1955-56. Assuming that the number of grain-consuming animal units continues at near this year's level, the supply per animal unit also would be a little less than last year, but would exceed that of any previous year.

Market receipts of corn have been below average since the heavy movement in October and November, while a large volume of corn has been going under price support. Through March 15 farmers had placed 341 million bushels

of 1955 corn under price support and over 800 million bushels of old corn were under loan or owned by CCC. The increasing percentage of the corn stocks under loan or owned by CCC has been partly responsible for rising corn prices in recent weeks, though 1956 acreage prospects also have been a factor. The price of No. 3 Yellow corn at Chicago averaged \$1.45 per bushel for the week ended April 13, 15 cents higher than a month earlier and 32 cents above the seasonal low reached in November. Prices of the other feed grains also have advanced in recent weeks to about the highest levels so far this season. Prices of high protein feeds also have strengthened since March when they were generally at the lowest level in 10 years. Feed prices continue lower than in 1954-55, although they have been increasing relative to last year's level. In early April corn was close to the level of a year ago, while most other feeds were 5 to 15 percent lower.

The President stated in his message of April 16 that the Administration intends to set the minimum national average support level for the 1956 corn crop at \$1.50 per bushel, 10 cents higher than the minimum support level previously announced for the 1956 crops. A separate support for corn not under acreage control in the commercial area will be announced at an early date.

Exports of feed grains have been at a high level since last July, and for the entire 1955-56 marketing year they are expected to exceed the postwar record of 6.5 million tons set in 1950-51. On the other hand, imports, especially oats, have declined sharply during the past 2 years.

WHEAT

A winter wheat crop of 716 million bushels was indicated as of April 1, and a spring crop of 188 million bushels is indicated on the basis of the March 1 report on intended plantings and average yields. This would mean a crop of around 904 million bushels, assuming about average conditions for the rest of the growing season. With total disappearance currently running just under 900 million bushels, only a slight increase, if any, in the carryover on July 1, 1957 may be expected.

The national average support price for the 1956 crop has now been raised to \$2.00. Full support level will be available in the 36 commercial wheat States for producers who comply with their individual farm acreage allotments. Support rates in the 12 noncommercial wheat States are set by law at levels representing 75 percent of the rates calculated on the national average. In the noncommercial States, acreage allotments and marketing quotas will not apply.

Cash wheat prices are generally near the highest level of the season to date, reflecting limited free market supplies of wheat resulting from the large quantities in CCC inventories. Through March 15 farmers had placed 318 million bushels of 1955-crop wheat under price support, compared with 427 million for the same period a year earlier from the larger 1954 wheat crop.

COMMERCIAL VEGETABLES

For Fresh Market

Early April estimates of the Crop Reporting Board indicate that aggregate supplies of 18 commercial vegetables for fresh market are likely to be moderately larger this spring than last and materially above the 1950-54 average. Production of this group of vegetables last year made up a little more than half of the total spring tonnage. Among the more important vegetables, the smaller supplies in prospect for early spring asparagus, early and mid-spring snap beans, broccoli, carrots, cauliflower, sweet corn, cucumbers, eggplant, green peas, green peppers, spinach and tomatoes are expected to be more than offset by substantially larger supplies of early spring onions, lettuce and early spring cabbage. Supplies of beets and shallots are also expected to be larger than a year earlier.

Although production estimates for the spring season are not available for lima beans, cantaloups and watermelons, reports indicate acreage of watermelons is moderately larger than a year ago, acreage of cantaloups slightly larger, and acreage of lima beans substantially smaller.

Intentions reports indicate that acreage planted to early summer cabbage will be substantially the same as in 1955, while acreage planted to onions and watermelons will be down. Slightly larger acreages are indicated for late summer cabbage and onions, and a slightly smaller acreage for watermelons.

For Commercial Processing

Total supplies of processed vegetables are a little smaller and both wholesale and retail prices are slightly higher than at this time last year. These conditions and the expectations of continued strong consumer demand have caused packers to plan a larger pack in 1956 compared with last year. Reports indicate that packers contracted about 3 percent more acreage of winter and early spring spinach for processing this year than last. Intentions reports also indicate plans for a 4 percent larger acreage of snap beans for processing, 6 percent more green peas, 16 percent more sweet corn and 28 percent more cabbage for kraut (contract only). Should yields and abandonment be near the average of recent years, production of snap beans on the indicated acreage would be about the same as the large 1955 crop, while production of green peas would be moderately larger and tonnage of sweet corn and cabbage for kraut would be much larger than a year earlier.

POTATOES AND SWEETPOTATOES

If farmers stick close to acreages indicated in intentions reports and yields are average, supplies of potatoes from mid-spring forward should be moderately smaller than a year earlier. Indicated acreage for late

spring harvest is down 8 percent from last year, and farmers have indicated their intentions to plant about 3 percent less acreage in the intermediate and late States.

With consumer income expected to remain high in 1956, demand for potatoes is likely to be about the same as a year earlier. The expected lighter supplies after mid-spring are likely to result in somewhat higher average prices than the low prices of a year earlier.

Reports of unloads at major metropolitan markets indicate that movement of sweetpotatoes has been slow relative to the size of the crop. In mid-February the Department reactivated the sweetpotato purchase program in Louisiana and later extended purchase authorization to a number of other States where seasonally heavy supplies were weighing on the market. The program has recently been terminated in North Carolina, Texas and Virginia. Although the program has helped to lighten the pressure, shipping point prices in Louisiana in early April were still much lower than a year ago, and well below average.

March 1 reports indicated that growers plan to plant 11 percent fewer acres to sweetpotatoes than in 1955. If the indicated acreage materializes, yields near the average of recent years would result in a crop about one-fifth smaller than last year. A crop of this size would be expected to sell at prices averaging well above those received for the large 1955 output.

FRUIT

Consumer demand for fruit is expected to be at least as strong this spring and summer as last. With continued strong demand for oranges for processing and increased demand for export, grower prices for oranges this spring are expected to be about as high as last spring. In the summer, they are likely to be above a year earlier. Total supplies of fresh and processed fruits this spring are expected to be at least as large as a year earlier.

Prospects in early April were for larger production of early-season fruits such as peaches and apples than in 1955. Freezes this spring again did considerable damage to the peach crop in Georgia and other Southern States. But losses were less than in 1955. With heavier marketings of peaches in June and July than in these months of 1955, grower prices for these early peaches are expected to average below the unusually high prices in 1955. Production of mid-spring strawberries is estimated to be much larger than a year ago. The California crop alone, much of which is now made into frozen strawberries, is up 55 percent.

Prices received by growers for apples, on a national average basis, have been fairly steady during the past winter at a level somewhat under a year earlier. Among important apple States, cold storage stocks on April 1, 1956 were much larger than a year earlier in Washington, but smaller in most other States, according to the Cold Storage Report of the USDA. In late March and early April, prices at shipping points in Washington held steady for Winesap and Red Delicious and increased slightly for standard Delicious. On April 1 cold storage stocks of pears, mostly D'Anjous, were lighter than a year earlier. Prices for these pears on the New York and Chicago auctions in early April averaged considerably higher than a year previously.

About 30 million boxes of Florida Valencia oranges, 6 million more than a year earlier, remained to be marketed after April 14. The crop is larger this year and movement to fresh markets and to processors was lighter in March. Movement to processors, mostly to makers of frozen orange concentrate, is expected to run heavy during late April, May, and June. During March and early April, prices at shipping points in Florida for fresh market oranges held fairly steady at levels a little higher than a year earlier. Prices for oranges for making into frozen concentrate declined during March to a level only a few cents higher than a year previously, but in early April increased to a level moderately higher. Auction prices for California Navel oranges tended to increase during March, but late that month dipped under a year earlier.

Prices for white grapefruit at shipping points in Florida held fairly steady during March and early April at levels a little under a year earlier, while prices for pink seedless varieties increased moderately to a level somewhat higher. On April 14, supplies from the heavier 1955-56 crop were about 1.5 million boxes larger than a year earlier. Utilization of Florida grapefruit, both for fresh market sales and for processing, has been heavier so far this season than last.

The pack of frozen orange concentrate in Florida through April 7 of the 1955-56 season was about 38.4 million gallons, 2 percent smaller than in the same period of 1954-55. But output from the Valencia crop probably will be larger. Stocks held by packers on April 1, 1956 were slightly larger than a year earlier. The pack of Florida canned orange juice by April 7 was about 8 percent under comparable output in 1954-55. But this reduction was offset by increases in the packs of other citrus juices. Stocks of all Florida canned citrus juices on April 7 were about 3 percent under a year earlier. Cold storage stocks of frozen deciduous fruits (excluding juices) on April 1, 1956 were about 10 percent larger than on that date in 1955.

COTTON

On April 17 the Department of Agriculture announced that the minimum support price for the 1956 crop of Upland cotton will be 28.85 cents per pound for Middling, 7/8 inch at average location. This is 82.5 percent

of the mid-March parity price and compares with a support price for the 1955 crop of 31.70 cents per pound. The minimum level of support for the 1956 crop of extra-long staple cotton is 55.65 cents per pound or 75 percent of the mid-March parity price. The support price for the 1955 crop was 55.20 cents.

As large quantities of cotton moved under loan, prices increased and now are higher than a year earlier. The average 14 spot market price for Middling, 15/16 inch cotton reached 35.63 cents per pound on April 6, the high for the season to date. This compares with 33.46 cents on the same date a year earlier and a low for the current season of 32.20 cents on October 3, 1955. The average 14 spot market loan rate is 33.75 cents per pound.

CCC held stocks (owned and pledged as collateral against outstanding loans) reached a record high of 14.2 million bales on January 20. By March 30, these stocks had declined to 13.3 million bales. A further slight reduction in CCC held stocks may occur by August 1.

Consumption of cotton by domestic mills is increasing this season but a sharp drop in exports is reducing total disappearance about a million bales below the level of the two preceding seasons. Exports in 1955-56 are expected to fall at least 1.4 million bales from the 3.4 million of 1954-55. But domestic mill consumption probably will total about 0.4 million bales above last season's 8.8 million.

Disappearance of less than 11.2 million bales from the 1955-56 supply of 25.9 million would leave a record carryover of at least 14.7 million bales on August 1, 1956. The 1955 carryover was 11.2 million bales and the previous record was 13 million bales in 1939.

Domestic mill consumption of cotton from August 1, 1955 through February 25, 1956 amounted to 5,434,000 bales, compared with 5,134,000 during the same period a year earlier. If consumption continues at the February rate, adjusted for normal seasonal variation, during the remainder of the current season, domestic mill consumption for the 1955-56 marketing year probably will be about 9.2 million bales.

Continuation of the current high level of mill consumption is expected through the second quarter of 1956. This is indicated by the ratio of stocks to unfilled orders for broad woven goods at mills, which continued at a low level through January and was at the lowest level since April 1951. Gray goods prices (average for 17 constructions) in March declined from February to 66.80 cents for the amount of fabric made from a pound of cotton. This was the first decline since June 1955.

Domestic mill consumption of cotton per capita in 1955 was about 26.5 pounds, up about 4 percent from 1954. This was the first year since 1951 that cotton consumption per person increased. At the same time manmade fiber consumption per person increased about 23 percent to a record high of 11.2 pounds.

The Secretary of Agriculture announced on February 28 that CCC-owned stocks of upland cotton would be sold at competitive prices for export in the 1956-57 marketing year (August 1, 1956 to July 31, 1957). It was announced that all qualities of upland cotton will be available under the program. This program is designed to stimulate exports in 1956-57. However, exports during the remainder of 1955-56 may be held at relatively low levels.

Of the total exports of less than 2 million bales estimated for 1955-56, about 1.5 million bales may be financed by various aid programs of the U.S. Government. Funds to finance the export of about 2.9 million bales in fiscal year 1955-56 are available, but a large part of these funds probably will not be used until 1956-57. These estimates include that portion of the million bales of short staple cotton sold by CCC at reduced prices for export since the beginning of January which probably will be shipped before August 1, 1956.

Exports from August 1, 1955 through February 1956 were about 842,000 running bales. This is 37 and 44 percent of exports during the same periods of 1954-55 and 1953-54.

WOOL

The 1956 domestic wool marketing season opened this month and prices of wool, both here and abroad, at mid-April were somewhat lower than a year earlier. In general, prices for domestic descriptions were only slightly above the 1955 seasonal low levels reached toward the end of last year.

The average of prices received by growers for shorn wool sold during April 1955-January 1956, the first 10 months of the 1955 marketing season, has been tentatively estimated at 44.0 cents per pound, grease basis. The mid-month averages during this period ranged from 47.6 cents for April to 38.7 cents for December. Preliminary mid-month averages for the final two months of the season were 40.2 and 39.9 cents. As announced in the fall of 1954, the rate of Government payment under the incentive program will be based on the average of prices received by producers during the entire season. This average has not yet been calculated. However, the above preliminary information suggests a Government payment to the individual producer on shorn wool marketings under the 1955 program somewhere in the neighborhood of 40 percent of the value of his shorn wool sales. It also suggests for pulled wool a payment per hundred pounds of live weight of eligible marketings of sheep and lambs somewhere in the neighborhood of 70 cents.

Domestic production of shorn wool in 1955 is now estimated at 233.4 million pounds, 1 percent less than in 1954. Output of pulled wool is estimated at 41.6 million pounds, 4 percent less than in 1954. The clean equivalent of the total probably was in the neighborhood of 134 million pounds, about 2 percent less than the year before. With about the same number of stock sheep and lambs on farms and ranches at the beginning of this year as last year, shorn wool production this year is not likely to be much different from 1955.

The rate of United States mill use of apparel wool during the first 2 months of this year was 15 percent above that of January-February 1955 while use of carpet wool was up 30 percent. Consumption of wool last year was about 10 percent above 1954, with use of apparel wool up 7 percent and of carpet wool up 16 percent. World consumption last year is estimated to have been about 3 percent above that of 1954.

United States imports of both free and dutiable wools for consumption during January were above those of early 1955. Imports of dutiable wools last year were above 1954 but otherwise the smallest since before World War II. Imports of duty-free wools last year were substantially above 1954 and were the largest since 1950.

Through March the Commodity Credit Corporation sold under the competitive bid sales program about 18 percent of the 149.4 million pounds, actual weight, on hand when the program went into effect last November 1. The maximum monthly quota, 6 1/4 million pounds, has been sold each month except March when only about 1/3 of the quota was sold.

TOBACCO

The 1956 output of cigarettes--the leading outlet for flue-cured, burley, and Maryland tobacco, is expected to be higher than the 412 1/2 billion turned out in 1955. The 1956 consumption of cigars is expected to continue above the 6 billion level and probably a little higher than in 1955. This year's output of snuff is likely to remain stable at around 39 million pounds but first indications point to a continuation of the declines in smoking and chewing tobacco. In 1955 the outputs of smoking and chewing totaled 80 and 79 million pounds, respectively--both a little lower than in 1954.

In the current marketing year, preliminary indications are that the domestic use of flue-cured, burley, and Maryland will not be substantially different from in 1954-55 when measured on the customary farm-sales weight basis. This is in spite of the increase in cigarette manufacture. It appears that a greater number of cigarettes than formerly are being made from a given quantity of leaf tobacco. The domestic use of continental cigar filler may be larger than the unusually small quantity of last year but use of the cigar binder types will probably decline. Future requirements for cigar binder tobacco are highly uncertain, depending on the extent of the shift to manufactured binder sheet.

In the year ending June 30, exports of unmanufactured tobacco may total around 535 million pounds (export weight)--one-sixth above 1954-55 and the third largest since 1930-31. The heaviest shipping period for tobacco is in the last 4 or 5 months of the calendar year and for calendar 1956, exports seem likely to be lower than the comparatively high 1955 figure. The Public Law 480 shipments of tobacco totaled 42 million pounds

in 1955 and will again be significant during 1956. However, important foreign sources of supply such as Southern Rhodesia and Canada have or are expected to have larger crops of tobacco this year than last. For some United States types, the desired grades are in short supply. During the last marketing season (in the second half of 1955 and early months of 1956), medium and lower grades traditionally sold to certain export outlets were relatively high priced.

The 1955-56 total supply of flue-cured is nearly 10 percent above a year earlier and a record, while the burley supply is 2 1/2 percent below 1954-55 and the second largest on record. The 1956 prospective acreage of flue-cured is 11 percent lower than last year's harvested acreage. The 1956 prospective acreage for burley is about the same as in 1955. If 1956 yields are near the averages of recent years, it seems likely that this year's crops plus the carryovers will result in little smaller total supplies of flue-cured and burley for 1956-57 than those for the current year.

The prospective 1956 acreages for the fire-cured and dark air-cured types are probably close to those harvested last year but for most cigar types, are smaller. Marketing quotas are in effect on Maryland tobacco in 1956 for the first time since 1953.

Last year's Maryland crop was reduced by storm damage, but the increase in carryover largely offsets this so that total supply is only a little less than the record level of a year earlier. Except for Maryland tobacco, practically all of the 1955 crop of tobacco has been marketed. The auctions for 1955 Maryland tobacco open the first of May--about the usual date for this type.

The 1956 crops of flue-cured, burley, Maryland, and the cigar filler and binder types 42-44 and 51-55 will be supported at 90 percent of parity. The 1956 crops of fire-cured and dark air- and sun-cured will be supported at 75 and 66 2/3 percent, respectively, of the burley support level as provided by law.

The minimum price support levels for the 1956 crops of flue-cured, burley, and Maryland tobacco are 48.2, 47.2, and 46.2 cents per pound, respectively. The 1956 minimum level of support for fire-cured tobacco is 35.4 and for the dark air- and sun-cured types, 31.5 cents per pound. Compared with the 1955 supports, the 1956 minimums are practically the same for the flue-cured but up about 2 percent for the burley, fire-cured, dark air-cured, and sun-cured types. The 1956 minimum levels of support for the several cigar filler and binder types range from 22.6 to 51.6 cents per pound--4 to 9 percent lower than support levels for last season.

ECONOMIC FACTORS AFFECTING AGRICULTURE, 1929, 1932 and 1939-55

Item	Unit or base	1929	1932	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Industrial production ^{1/}																				
Total:1947-49=100:		59	31	58	67	87	106	127	125	107	90	100	104	97	112	120	124	134	125	139
All manufactures	do.	58	30	57	66	88	110	133	130	110	90	100	103	97	113	121	125	136	127	140
Durable goods	do.	60	19	49	63	91	126	162	159	123	86	101	104	95	116	128	136	153	137	155
Nondurable goods	do.	56	42	66	69	84	93	103	99	96	95	99	102	99	111	114	114	118	116	126
Minerals	do.	68	42	68	76	81	84	87	93	92	91	100	106	94	105	115	114	116	111	122
Total outlay for new construction ^{2/}	Billion dollars	10.8	3.5	8.2	8.7	12.0	14.1	8.3	5.3	5.6	12.0	16.7	21.7	22.8	28.5	31.2	33.0	35.3	37.6	42.2
Residential	do.	3.6	.6	2.7	3.0	3.5	1.7	.9	.8	1.1	4.0	6.3	8.6	8.3	12.6	11.0	11.1	11.9	13.5	16.6
Total civilian employment ^{3/}	Million	47.6	38.9	45.8	47.5	50.4	53.8	54.5	54.0	52.8	55.2	58.0	59.4	58.7	60.0	61.0	61.3	62.2	61.2	63.2
Nonegricultural	do.	37.2	28.8	36.1	38.0	41.2	44.5	45.4	45.0	44.2	46.9	49.8	51.4	50.7	52.4	54.0	54.5	55.7	54.7	56.5
Unemployed	do.	1.6	12.1	9.5	8.1	5.6	2.7	1.1	.7	1.0	2.3	2.1	2.1	3.4	3.1	1.9	1.7	1.6	3.2	2.7
Income:																				
Nonegricultural pay- ments ^{2/4/} #	Bil. dol.	77.7	46.9	67.1	72.6	88.0	111.5	137.6	151.6	156.8	161.1	172.8	188.5	190.8	210.5	235.7	253.1	270.2	271.9	288.4
Production-worker pay- rolls ^{5/}	1947-49=100:	35.0	14.8	29.9	34.0	49.3	72.2	99.0	102.8	87.8	81.2	97.7	105.1	97.2	111.7	129.8	136.6	151.4	137.7	152.9
Weekly earnings of produc- tion workers in manufacturing ^{5/}	Dollars	25.03	17.05	23.86	25.20	29.58	36.65	43.14	46.08	44.39	43.82	49.97	54.14	54.92	59.33	64.71	67.97	71.69	71.86	76.52
Durable	do.	27.22	16.21	26.50	28.44	34.04	42.73	49.30	52.07	49.05	46.49	52.46	57.11	58.03	63.32	69.47	73.46	77.23	77.18	83.21
Nondurable	do.	22.93	17.57	21.78	22.27	24.92	29.13	34.12	37.12	38.29	41.14	46.96	50.61	51.41	54.71	58.46	60.98	63.60	64.74	68.06
Agricultural trade ^{6/}	Billion																			
Domestic exports	dollars	1.7	.7	.7	.5	.7	1.2	2.1	2.1	2.3	3.2	4.0	3.5	3.6	2.9	4.0	3.4	2.8	3.0	3.2
Imports for consumption	do.	2.2	.7	1.1	1.3	1.7	1.3	1.5	1.8	1.7	2.3	2.8	3.1	2.9	4.0	5.2	4.5	4.2	4.0	4.0
Prices:																				
Wholesale prices, all commodities ^{5/}	1947-49=100:	62	42	50	51	57	64	67	68	69	79	96	104	99	103	115	112	110	110	111
Commodities other than farm and food	do.	66	50	58	59	64	68	69	70	71	78	95	103	101	105	116	113	114	114	117
Farm	do.	59	27	36	38	46	59	68	69	72	83	100	107	93	98	113	107	97	96	90
Food, processed	do.	58	36	43	44	50	59	62	60	61	78	98	106	96	100	111	109	105	105	102
Prices received by farmers ^{7/}	1910-14=100:	148	65	95	100	124	159	193	197	207	236	276	287	250	258	302	288	258	249	237
Crops	do.	135	57	82	90	108	145	187	199	202	228	263	255	224	233	265	268	242	243	238
Livestock and products	do.	159	72	107	109	138	171	198	196	211	242	288	315	272	280	336	306	272	255	237
Prices paid, interest, taxes and wage rates ^{7/}	1910-14=100:	160	112	123	124	133	152	171	182	190	208	240	260	251	256	282	287	279	281	281
Items used in living	do.	154	106	120	121	130	149	166	175	182	202	237	251	243	246	268	271	270	274	273
Items used in production	do.	146	99	121	123	130	148	164	173	176	191	224	250	238	246	273	274	253	252	250
Parity ratio	do.	92	58	77	81	93	105	113	108	109	113	115	110	100	101	107	100	92	89	84
Consumer price index ^{5/}	1947-49=100:	73	58	59	60	63	70	74	75	77	83	96	103	102	103	111	114	114	115	114
Food	do.	66	43	47	48	52	61	68	67	69	79	96	104	100	101	113	115	113	113	111
Government purchases of goods and services ^{2/8/} #	Billion dollars	8.5	8.1	13.3	14.1	24.8	59.7	88.6	96.5	82.9	30.9	28.6	36.6	43.6	42.0	62.8	77.5	84.5	77.0	75.9
Federal (less Government sales)	do.	1.3	1.5	5.2	6.2	16.9	52.0	81.2	89.0	74.8	20.9	15.8	21.0	25.4	22.1	41.0	54.3	59.5	49.2	45.8
State and local	do.	7.2	6.6	8.2	7.9	7.8	7.7	7.4	7.5	8.1	10.0	12.8	15.6	18.2	19.9	21.8	23.2	25.0	27.8	30.1

1/ Federal Reserve Board.

2/ U. S. Department of Commerce.

3/ U. S. Department of Labor for years 1929-39. From 1940 to date, Bureau of the Census.

4/ Monthly totals seasonally adjusted at annual rates.

5/ U. S. Department of Labor, Bureau of Labor Statistics.

6/ U. S. Department of Agriculture, Foreign Agricultural Service.

7/ U. S. Department of Agriculture, Agricultural Marketing Service.

8/ Quarterly totals seasonally adjusted at annual rates.

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